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6 March 1957

MEMORANDUM FOR: Deputy Director/Intelligence

SUBJECT: The Polish Trade Discussion

1. The meeting of 5 March 1957 considered and approved an agenda covering the remainder of the areas for discussion, completed the presentation of Polish answers to background questions raised by the American delegation, contained a prepared statement of the principal limitations which face the U.S. in any formal governmental assistance to Poland and witnessed Polish reaction to this statement. (Agenda and prepared statement are attached as Tabs A and B respectively)
2. Mr. Raczkowski completed the response to questions relating to the coal industry. He emphasized the higher level of average wages paid to coal miners plus the enumeration of substantial fringe benefits paid miners. At present, mining shifts which exceed plan goals are given a bonus in foreign exchange which they may use to purchase goods, usually hard consumer goods such as electric appliances, from abroad. A general division of coal consumption by major sector of the Polish economy was also given.
3. To a question on Poland's interest in atomic energy as a fuel source for production of electricity, Mr. Raczkowski replied that Poland with abundant and cheap coal was not interested in reactor power. Poland's

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first experimental atomic reactor for power production will not be put into production "for 8 or 9 years."

4. The Polish delegation specified that Poland has no long-term export commitments for coal deliveries either to Bloc or Western nations. Coal exports cannot be enlarged significantly without a great deal of capital input and Poland must sell its coal to the greatest possible advantage to its internal development.

5. Replying to a series of queries on specialized equipment, the Chairman of the Polish Delegation indicated that Poland would observe patent rights on equipment imported. He expressed delight at the prospect that the U.S. would permit technicians to go to Poland to install and service equipment which Poland might wish to import. He pointed out that Poland presently had production-licensing agreements with other Western countries under which firms whose equipment they produced were paid royalties under said agreements.

6. Responding to the American prepared statement the Polish Chairman expressed the opinion that "this cast cold water on the proceedings" and that the Poles were disappointed at the prospect. They were, however, anxious to proceed in the hope that the evidence of U.S. interest in the Polish situation might make possible some greater prospect than was indicated in the prepared statement.

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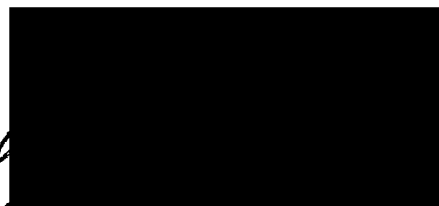
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7. In general the rapport among the delegations was more complete at this meeting than at any former session.

8. The 6 March meeting will concern itself with the statement of the Polish request couched insofar as possible in terms of priority of interest. If time permits, additional agenda items will be considered at this meeting.

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